

ACTION SHEET
ITEM FROM FINANCE COMMITTEE MEETING OF 01/19/16
FOR CITY COUNCIL MEETING OF 01/27/16

ISSUE:

15. Request for Approval of Amendment No. 1 to Professional Services Agreement – Rates and Charges Study and On-Call Consulting Services at Santa Fe Municipal Airport; Frasca & Associates, LLC. (Jon Bulthuis)

FINANCE COMMITTEE ACTION:

Approved as Discussion item.

FUNDING SOURCE:

SPECIAL CONDITIONS OR AMENDMENTS

STAFF FOLLOW-UP:

VOTE	FOR	AGAINST	ABSTAIN
COUNCILOR TRUJILLO	X		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

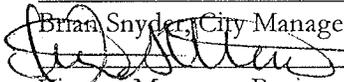
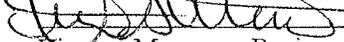
4-13-15

City of Santa Fe New Mexico

MEMO

DATE: December 21, 2015
TO: Finance Committee
VIA: Oscar Rodriguez, Finance Director 

RECEIVED
JAN 06 2016
FINANCE DEPT
CITY OF SANTA FE


Brian Snyder, City Manager

Vincent Montoya, Business Analyst, Finance
Jon Bulthuis, Transportation Department Director

FROM: Jon Bulthuis, Transportation Department Director
Becky Casper, Contracts Administrator, Airport Division 

ISSUE: FRASCA & Associates – Professional Service Agreement Amendment

Item and Issue:

The City of Santa Fe's Airport Division is presently in contract negotiations with both American and United Airlines related to operations at the Santa Fe Municipal Airport (SAF).

This contract negotiation process involves assessing the proper fees to cover expenses directly related to airside operations, as well as leasing property to the respective airlines so that they can operate efficiently and effectively in serving the City of Santa Fe.

The professional expertise and experience offered by FRASCA and Associates to date, has been invaluable as I continue to serve as Interim Airport Manager until early March 2016. I strongly encourage the Governing body to extend the support provided by our partnership with this contractor, in an "on-call" basis during the months ahead, funded by salary savings that have accumulated due to the Airport Manager's position being vacant for over a year.

Background and Summary

The City of Santa Fe's Airport Division has completed the Rates and Fees work identified in the initial contract with FRASCA and Associates. This critical work completed by consultants has been invaluable in the contract negotiation process as operational costs have been clearly identified in such a manner that current expenses related to commercial air service can be recouped through assessed fees such that the subsidy from the General Fund can be significantly reduced in future years.

In addition, the need to increase staffing levels at SAF to properly meet Federal Aviation Administration's Part 139 requirements has been identified during the annual inspection for some years. Now that commercial air service is well established, the mandate to increase staff will be forthcoming. Although re-organization efforts have been seriously discussed, internally, since early this calendar year the revenue to cover the operating expenses associated with increasing staff has not yet been available. Following additional negotiations with the airlines, and new revenue that will result, staff will present a revised SAF staffing plan that will meet FAA requirements and adequately support the level of activity now occurring at the Santa Fe Municipal Airport.

Action Recommended

Staff recommends that the Finance Committee approve the attached contract amendment, not to exceed \$49,850.00, with FRASCA and Associates for “on-call” consulting services related to contract and lease negotiations at SAF and the attached BAR to reallocate \$50,000.00 in salary savings from 52800.500110 (Salaries) to 52800.510310 (Service Contracts).

**CITY OF SANTA FE
AMENDMENT No. 1 TO
PROFESSIONAL SERVICES AGREEMENT**

AMENDMENT No. 1 (the "Amendment") to the CITY OF SANTA FE PROFESSIONAL SERVICES AGREEMENT, dated December 17, 2014, (the "Agreement"), between the City of Santa Fe (the "City") and Frasca & Associates, L.L.C. (the "Contractor"). The date of this Amendment shall be the date when it is executed by the City and the Contractor whichever occurs last.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide Rates Charges Study and On-Call Consulting Services;

B. Pursuant to Article 17 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. SCOPE OF SERVICES:

Contractor shall provide the following Rates & Charges Study services:

A. Review current agreements with various tenants. Analyze each provision and outline options that have been developed in other similar situations that offer more contemporary approaches and recommend new business terms where issues are not addressed.

B. Analyze the Airport's current rate and fees structure and provide comparables with competitive regional and national airports.

- C. Develop strategies to increase non-airline and non-aeronautical revenue opportunities. Review the non-aeronautical sources of revenue (parking, rental cars, advertising, etc.) and identify areas where existing contracts might generate additional net revenue and provide recommendations on future contracts where more revenue or more favorable terms could be achieved. Provide recommendations and strategies for developing Customer Facility Charges.
- D. Provide advice and support for airport development of RFQs/RFPs including, but not limited to, non-aeronautical development, rental cars, parking lot management, concessions and advertising.
- E. Provide assistance to the Airport in the creation of a rate model and negotiation of lease, use and concession agreements that will position the Airport to become self-sustaining as soon as possible.

Contractor shall also provide the following on-call consulting services, including, but not limited to:

- A. Review current agreements with various tenants. Analyze each provision and outline options that have been developed in other similar situations that offer more contemporary approaches and recommend new business terms where issues are not addressed.
- B. Analyze the Airport's current rate and fees structure and provide comparables with competitive regional and national airports.

- C. Develop strategies to increase airline and aeronautical revenue opportunities through the re-negotiation of leases with the airlines and the imposition of Passenger Facility Charges.
- D. Develop strategies to increase non-airline and non-aeronautical revenue opportunities. Review the non-aeronautical sources of revenue (parking, rental cars, advertising, etc.) and identify areas where existing contracts might generate additional net revenue and provide recommendations on future contracts where more revenue or more favorable terms could be achieved. Provide recommendations and strategies for developing Customer Facility Charges.
- E. Provide advice and support for airport development of RFQs/RFPs including, but not limited to, non-aeronautical development, rental cars, parking lot management, concessions and advertising.
- F. Provide assistance to the Airport in the creation of a rate model and negotiation of lease, use and concession agreements that will position the Airport to become self-sustaining as soon as possible.

2. COMPENSATION:

Article 2, paragraph A of the Agreement is amended to increase the compensation by forty nine thousand eight hundred fifty dollars and zero cents (\$49,850.00), inclusive of all applicable gross receipts tax, so that Article 2, paragraph A reads as follows:

- A. The City shall pay to the Contractor in full payment for services rendered a sum not to exceed Ninety nine thousand, seven hundred dollars and zero cents

(\$99,700.00) inclusive of applicable gross receipts tax.

3. TERM:

Article 4 of the Agreement is hereby deleted. A new Article 4 of the Agreement is inserted to extend the term of the Agreement, so that Article 4 reads in its entirety as follows:

This Agreement shall be effective when signed by the City and shall terminate on December 31, 2016, unless terminated sooner pursuant to Paragraph 6, below.

4. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the City of Santa Fe Professional Services Agreement as of the dates set forth below.

CITY OF SANTA FE:

CONTRACTOR:
FRASCA & ASSOCIATES, LLC.

JAVIER M. GONZALES, MAYOR

NAME & TITLE

Date: _____

Date: _____

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK



**City of Santa Fe
Summary of Contracts, Agreements, & Amendments**

Section to be completed by department for each contract or contract amendment

1 **FOR:** ORIGINAL CONTRACT or CONTRACT AMENDMENT

2 Name of Contractor FRASCA and Associates, L.L.C.

3 Complete information requested Plus GRT
 Inclusive of GRT

Original Contract Amount: \$49,850.00

Termination Date: December 15, 2015

Approved by Council Date: _____

or by City Manager Date: December 17, 2014

Contract is for: Review, analyze, develop current agreements with various Airport tenants

Amendment # 1 to the Original Contract# 15-0003

Increase/(Decrease) Amount \$ \$49,850.00

Extend Termination Date to: December 31, 2016

Approved by Council Date: _____

or by City Manager Date: _____

Amendment is for: To provide rates charges study and on-call consulting services

4 **History of Contract & Amendments:** (option: attach spreadsheet if multiple amendments) Plus GRT
 Inclusive of GRT

Amount \$ 49,850.00 of original Contract# 15-0003 Termination Date: 12/15/2015

Reason: Review, analyze, develop current agreements with various Airport tenants

Amount \$ 49,850.00 amendment # 1 Termination Date: 12/31/2016

Reason: To provide rates charges study and on-call consulting services

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Total of Original Contract plus all amendments: \$ 99,700.00



City of Santa Fe
Summary of Contracts, Agreements, & Amendments

5 Procurement Method of Original Contract: (complete one of the lines)

RFP# _____ Date: _____

RFQ [] _____ Date: _____

Sole Source [] _____ Date: _____

Other _____

6 Procurement History: _____
example: (First year of 4 year contract)

7 Funding Source: _____ 52800 BU/Line Item: _____ 510310

8 Any out-of-the ordinary or unusual issues or concerns:
(Memo may be attached to explain detail.)

9 Staff Contact who completed this form: Lois Amador

Phone # 955-2010

10 Certificate of Insurance attached. (if original Contract) []

Submit to City Attorney for review/signature
Forward to Finance Director for review/signature
Return to originating Department for Committee(s) review or forward to City Manager for review
and approval (depending on dollar level).

To be recorded by City Clerk:

Contract # _____

Date of contract Executed (i.e., signed by all parties): _____

Note: If further information needs to be included, attach a separate memo.

Comments:

Amendment is to provide rates and charges study and on-call consulting

CITY OF SANTA FE

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the “City”) and Frasca & Associates, LLC, (“Contractor”). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

Contractor shall provide the following Rates & Charges Study services:

- A. Review current agreements with various tenants. Analyze each provision and outline options that have been developed in other similar situations that offer more contemporary approaches and recommend new business terms where issues are not addressed.
- B. Analyze the Airport’s current rate and fees structure and provide comparables with competitive regional and national airports.
- C. Develop strategies to increase non-airline and non-aeronautical revenue opportunities. Review the non-aeronautical sources of revenue (parking, rental cars, advertising, etc.) and identify areas where existing contracts might generate additional net revenue and provide recommendations on future contracts where more revenue or more favorable terms could be achieved. Provide recommendations and strategies for developing Customer Facility Charges.
- D. Provide advice and support for airport development of RFQs/RFPs including, but not limited to, non-aeronautical development, rental cars, parking lot management, concessions and advertising.

- E. Provide assistance to the Airport in the creation of a rate model and negotiation of lease, use and concession agreements that will position the Airport to become self-sustaining as soon as possible.

2. COMPENSATION

- A. The City shall pay to the Contractor in full payment for services rendered a sum not to exceed forty nine thousand, eight hundred and fifty dollars and zero cents (\$49,850.00) inclusive of applicable gross receipts taxes.
- B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums payable under this Agreement.
- C. Payment shall be made upon receipt and approval by the City of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed.
- D. The Contractor shall invoice the City monthly.

3. APPROPRIATIONS

- A. The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

4. TERM AND EFFECTIVE DATE

- A. This Agreement shall be effective when executed by the City and terminate on December 15, 2015, unless terminated sooner pursuant to Article 5 below.

5. TERMINATION

- A. This Agreement may be terminated by the City upon 10 days written notice to the Contractor.
- B. The Contractor shall render a final report of the services performed up to the date of termination shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

6. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

- A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.
- B. Contractor shall be solely responsible for payment of wages, salaries, and benefits to any and all employees or contractors retained by Contractor in the performance of the services under this Agreement.
- C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

7. CONFIDENTIALITY

- A. Any confidential information provide to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

8. CONFLICT OF INTEREST

- A. The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of series required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

9. ASSIGNMENT; SUBCONTRACTING

- A. The Contractor shall not assign or transfer any rights, privileges, obligations, or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

10. RELEASE

- A. The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers, and employees, from all liabilities, claims, and obligations whatsoever arising from or under the Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Contractor has express

written authority to do so, and then only within the strict limits of that authority.

11. INSURANCE

- A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing series under this Agreement.
- B. Contractor shall also obtain and maintain Workers' Compensation insurance required by law to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.
- C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

12. INDEMNIFICATION

- A. The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgment on account of any suit, judgment, execution, claim, and action, or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors, including payments of all attorneys' fee and costs.

13. NEW MEXICO TORT CLAIMS ACT

- A. Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

14. THIRD PARTY BENEFICIARIES

- A. By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

15. RECORDS AND AUDIT

- A. The Contractor shall maintain, throughout the term of this Agreement and for a period of three months thereafter, detailed records that indicate the date, time, and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive illegal payments.

16. APPLICABLE LAW; CHOICE OF LAW; VENUE

- A. Contractor shall abide by all applicable federal and state laws and regulation, and ordinances, rules and regulation of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the first Judicial District.

17. AMENDMENT

- A. This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

18. SCOPE OF AGREEMENT

- A. This Agreement incorporates all the agreements, covenants, and understanding between the parties hereto concerning the services to be

performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise. Of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

19. NON-DISCRIMINATION

- A. During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

20. SEVERABILITY

- A. In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality. And enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

21. NOTICES

- A. Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

To City: Santa Fe Municipal Airport
Attn: Jon Bulthuis, Transportation Dept. Director
P.O. Box 909
Santa Fe, New Mexico 87504-0909

To Contractor: Frasca & Associates, LLC
Larry Belinsky
521 Madison Avenue, Seventh Floor
New York, NY 10022
(212) 355-4040 ext. 7
lbelinsky@frascallc.com

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

CITY OF SANTA FE:

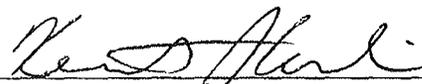
CONTRACTOR:

Frasca & Associates, LLC



BRIAN K. SNYDER, CITY MANAGER
12-17-14

DATE



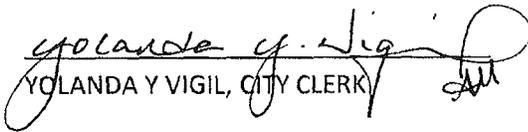
NAME & TITLE
Kenneth J. Cashner, Principal
DATE: 12/17/14

N.M. Taxation & Revenue #03-305647-00-1

ATTEST:

City of Santa Fe Business In process 11/12/14

14-00129119



YOLANDA Y VIGIL, CITY CLERK

APPROVED AS TO FORM:



KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:



TERESITA GARCIA, ASSISTANT FINANCE DEPARTMENT
OSCAR RODRIGUEZ
52800.510310

ATM ok per Vince.

Business Unit/Line Item

AMADOR, LOIS O.

From: HOPKINS, ANDREW J.
Sent: Monday, November 23, 2015 2:41 PM
To: AMADOR, LOIS O.
Cc: MONTOYA, VINCENT S.; RODRIGUEZ, OSCAR S.
Subject: RE: reqs and BARs

I spoke with Oscar about this last week and explained the situation to him...he agreed that , in order for a change in this policy to be allowed, a memo would need to be drawn up specifying the amount and purpose of the BAR, and the estimated vacancy savings from the position. There should be signature lines for both Vince Montoya (attesting that there are in fact estimated vacancy savings of at least the amount you're requesting, over and above the vacancy credit already budgeted) and the City Manager. Only with Brian's specific written authorization will the BARs and packet item be allowed to proceed.

I didn't think this was going to be a problem as you had said Jon was going to meet with Brian before he left...unfortunately, as I said, I need written authorization from the CM before we can allow this item on the Finance agenda, or process any BAR from salaries. And, this authorization needs to include certification from Vince that the total amount you're trying to take from salaries is actually available there.

Thanks.

15-12-004-T1

#

City of Santa Fe, New Mexico

BUDGET ADJUSTMENT REQUEST (BAR)

DEPARTMENT / DIVISION / SECTION / UNIT NAME				DATE	
Transportation Department/Airport				11/03/2015	
ITEM DESCRIPTION	BU / LINE ITEM	(Finance Dept Use Only)		INCREASE	DECREASE
		SUBLEDGER / SUBSIDIARY	DR / (CR)		
Salaries	52800.500110				(50,000)
Service Contracts	52800.510310			50,000	
	COPY -				
	original				
	already posted.				
JUSTIFICATION: (use additional page if needed)				TOTAL	
--Attach supporting documentation/memo				\$ 50,000	\$ (50,000)

RECEIVED
 JAN 12 2016
 FINANCE DEPT
 CITY OF SANTA FE

Move funds from salary savings in place due to vacant Airport Manager position and place in service contracts

to support consulting services. For Requisition 20177126

Lois Amador Prepared By	Date	CITY COUNCIL APPROVAL		Budget Officer	Date
<i>[Signature]</i>	11/17/15	City Council Approval Required	<input type="checkbox"/>		
Division Director	Date	City Council Approval Date	<input type="text"/>	Finance Director	Date
<i>[Signature]</i>	11/17/15	Agenda Item #:	<input type="text"/>	City Manager	Date
Department Director	Date				